

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>Ivy Micro Cap Growth Fund</b>		2 Issuer's employer identification number (EIN) <b>26-3636261</b>	
3 Name of contact for additional information <b>Ivy Investments</b>	4 Telephone No. of contact <b>(888) 923-3355</b>	5 Email address of contact <b>response@waddell.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>P.O. Box 29217</b>		7 City, town, or post office, state, and ZIP code of contact <b>Shawnee Mission, KS 66201-9217</b>	
8 Date of action <b>11-02-2018</b>		9 Classification and description <b>Regulated Investment Company - Merger</b>	
10 CUSIP number <b>See Attached</b>	11 Serial number(s)	12 Ticker symbol <b>See Attached</b>	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On November 02, 2018, the Ivy Micro Cap Growth Fund merged into the Ivy Small Cap Growth Fund in a tax-free merger. As a result of the reorganization, the shareholders of all classes of the Ivy Micro Cap Growth Fund exchanged their shares to the Ivy Small Cap Growth Fund equal in value to the aggregate net asset value of the shares surrendered.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **Each share of the Ivy Micro Cap Growth Fund (merging fund) is being replaced with shares of the Ivy Small Cap Growth Fund (acquiring fund), at a ratio noted in the attachment for each share class. The basis of the shares received is the same as the aggregate of the shares exchanged. However, the cost basis per share of the Ivy Micro Cap Growth Fund has changed based upon the number of shares exchanged to the Ivy Small Cap Growth Fund.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **For each tax lot you held in the merging fund:**

**1) Multiply the number of shares held in the lot by the "Merger Ratio" in the attachment to calculate the number of shares that you now hold in the acquiring fund.**

**2) Multiply the per share cost basis by the "Basis Ratio" in the attachment to calculate the per share basis of the shares that you now hold in the acquiring fund.**

**Part II** Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_

IRC Sec. 368(a), 368(b), 354(a), 358(a) and 1223(1) Treas. Reg. Sec. 1.358-2

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18 Can any resulting loss be recognized? ▶ There is no gain / loss recognized in a tax-free reorganization.

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Reportable tax year is 2018.

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**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

Print your name ▶ **A signed copy is maintained by the issuer** Title ▶ \_\_\_\_\_

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**Organizational Action: Fund Merger****Date of Action: 11/02/2018****Tax Year Ending 2018**

<u>Issuer's Name and EIN</u>	<u>Class</u>	<u>CUSIP</u>	<u>Ticker Symbol</u>	<u>NAV</u>	<u>Acquiring Fund</u>	<u>Class</u>	<u>CUSIP</u>	<u>Ticker Symbol</u>	<u>NAV</u>	<u>Merger Ratio</u>	<u>Basis Ratio</u>
Ivy Micro Cap Growth (26-3636261)	A	465899680	IGWAX	\$28.611	Ivy Small Cap Growth	A	466000502	WSGAX	\$16.744	1.708731486	0.585229457
Ivy Micro Cap Growth (26-3636261)	B	465899672	IGWBX	\$26.313	Ivy Small Cap Growth	B	466000601	WSGBX	\$11.457	2.296674522	0.435412154
Ivy Micro Cap Growth (26-3636261)	C	465899664	IGWCX	\$26.852	Ivy Small Cap Growth	C	466000700	WRGCX	\$12.938	2.075436698	0.481826307
Ivy Micro Cap Growth (26-3636261)	I	465899656	IGWIX	\$29.562	Ivy Small Cap Growth	I	466001872	IYSIX	\$22.758	1.298971790	0.769839659
Ivy Micro Cap Growth (26-3636261)	Y	465899649	IGWYX	\$29.707	Ivy Small Cap Growth	Y	466000809	WSCYX	\$21.313	1.393844133	0.717440334